

Conclusions

- 1) Income funds have done quite well both in terms of cash dividends and in growth. Growth has been from 9 to $13\frac{1}{2}$ percent compounded annually over last 10 yrs.
- 2) I think we should offer our people one or more income funds although performance

6) If investor wants Income

	^{above aver in '66}	^{Cash Dividends}		<u>Growth</u>
8.5 Income Fund Boston		\$7316	Group 6 Income Fund	\$25,488
7.5 Putman (below aver 66-67)		7245	" (equivalent 13 1/2% int)	\$37,936
8.75 Franklin Inc below aver 65,66,67		7093	"	\$27,549
0 Northeast ^{above aver in 1966 only}		7068	"	\$26,543
8.5 Nat Sec Div (below aver 65,66,67)		7016	" (equivalent 11 1/2% compound)	\$31,073
8.75 Value Line Inc. ^{above aver 64,65,66}		6912	"	\$31,977
8.5 Decatur ^{below average 66-67}		6803	" (equivalent 13% comp Int)	\$36,046
8.3 Keystone B-4 ^{above aver 64-66}		6709	(Bond Pfd Stock Group 7)	\$19,366
8.3 Keystone K-1		6427		\$23,475
8.5 Putnam Income (below aver last 5 yrs)		6400	(equivalent 9% compounded Int)	\$24,356

7) The So called Balanced Funds (Group 5-9is, 51GS Groups 5-519, have performed so poorly in terms of growth that only 1 (Air Hough A) has exceeded the average growth of all funds (\$33,414)

Further maximum int + growth of Balanced Group (5)

Gen Inv.	\$5273	22764
0 Counselors	5219	25079
8.5 Group F Adm	5156	21736
8.5 Shareholders	5125	\$28155
8.5 Channing Balanc.	5011	28363
8.75 Diversified Inv	4912	\$24226
8.9 Investors Mkt	4730	\$21,385

Conclusion: Balanced Funds have performed poorly both on income and growth.

	<u>Load</u>	<u>Cat</u>	<u>Invest</u> <u>Obj</u>	<u>Assets</u>	<u>1968</u>
American Investors	0	1-dcs	G	313	
New Horizons	0	1-sd	G	151	
Scudder Spl	0	1-sd	G	176	
First Multifund	1.5	1-spl	G	3.1	
Keystone S-4	8.3	1-sd	G	635	
Axe-H Stock	8.5	1-dcs	G-S	88	
Channing Spl	8.5	1-sd	G	99	
Colonial Equities	8.5	1-sd	G	147	
Fairfield	8.5	1-sd	G	84	
Revere	8.5	1-sd	G	15	
Winfield	8.5	1-sd	G	208	
Knickerb Gr.	8.7	1-sd	G	12	
Morton Growth	8.75	1-sd	G	62	
Value Line Spl	8.75	1-sd	G	275	
Enterprise	8.5	1-sd	G	1800	
Newwirth	0	1-sd	G	12	
Mates Investment					

Puritan		995	7243	37936
Decatur	6-fd	775	5969	36046
Inc Fund Boston			7314	25478
Value Line Inc.			6912	31977
North-east Provident			7068	26548
Franklin			7093	27549

Income Funds

Only Northeast, Counselors & Pine Street (as no load funds) have turned in a respectable performance for 10 yrs, 5 yr or yield as of 9/30/68.

Only 9 funds out of 296 had yield over 4%. Only 4 funds had yield over 5% (Keystone B-4, Northeast, Keystone B-2, Investors Sel)

I conclude

- At best performance of "income" mutual funds is Lousy. For most part one would do better with Savings & Loan, Credit Union - even Govt bonds!
- Load funds for income for relatively short term of years are for birds - can't amortize cost even if performance appears to have been better
- The best no load income funds have been
Northeast* (Group 6 - Income Fund)
Counselors (Group 5 Income Growth Stability)
Pine ST (Group 4 flexibly diversified Income Growth)
- The Best load income funds have been

Investors Sel

Inc. Fd Boston

Putnam

Morton Income

Perm Square

Valuations Inc